

1 1991 that Mr. -- Reverend Aguilar had attended?

2 A I, I couldn't put my finger on a precise number.

3 Q But it was, it was more than two out of five?

4 A That was certainly my perception.

5 Q Did you tell Joe Dunne at any time subsequent to
6 October 1, 1991 that you disagreed with what he said about --
7 in his letter to you?

8 A I don't have any recollection of doing so.

9 Q Did you tell Colby May that Joe Dunne was wrong?

10 A I don't recall doing that.

11 Q Now, continuing on, didn't Joe Dunne state to you,
12 "I'm going through these facts, Paul, to suggest that perhaps
13 Reverend Aguilar is not the person upon whom NMTV wishes to
14 rely as a Board member for NMTV?"

15 A What paragraph are you on, sir?

16 Q The second full paragraph on page 2, the first
17 sentence.

18 A Oh, page 2. I'm sorry. Yes, I've read that. What
19 was the question, sir?

20 Q Did you disagree with Joe Dunne about the sentence
21 that I read into the record?

22 A Yes, I did because, again, our purpose was to bring
23 some of these trouble minority people into, as we've just
24 discussed with His Honor, into an ownership position and that
25 isn't always easy. You don't give up the first time some of

1 these folks make a mistake. We, we wanted to complete that
2 process and, and see Mr. Aguilar become a fully trained and
3 competent owner.

4 Q Did you tell Joe Dunne you disagreed with him
5 concerning the first sentence, the first sentence of the
6 second paragraph on page 2 of his letter?

7 A I don't recall that I did.

8 JUDGE CHACHKIN: Is it your view, sir, that naming a
9 person a director with no day to day management
10 responsibilities fulfills Commission policy?

11 DR. CROUCH: As an owner, yes, sir.

12 JUDGE CHACHKIN: No. I asked you is that what the
13 Commission -- you believe the Commission is looking for, your
14 naming a person a director and giving him no day to day
15 management responsibilities? Is that your view of what the
16 Commission is looking for?

17 DR. CROUCH: That was fully my understanding, Your
18 Honor.

19 JUDGE CHACHKIN: And what is that based on?

20 DR. CROUCH: Ownership. The directors of the non-
21 profit corporation in Commission records, I am told, are
22 equivalent, equal, to ownership.

23 JUDGE CHACHKIN: But isn't it a fact, sir, for
24 instance, that when we deal with two-tier corporations where
25 someone is an owner that the Commission looks at whether or

1 not that individual has management responsibilities, and I
2 would also suggest isn't it also true that it looks at the
3 limited partner, in your case equivalent to what you were
4 doing, to see that he has no responsibilities, that he
5 completely is removed from the operation of the corporation?
6 Isn't that true?

7 DR. CROUCH: Who would be completely removed?

8 JUDGE CHACHKIN: Well, I'm saying -- you're
9 suggesting in your case when you -- as you say, you made
10 someone a director, but the fact of the matter while you made
11 someone a director, you yourself participated rather actively
12 in that particular corporation, did you not?

13 DR. CROUCH: I was the President, yes, sir.

14 JUDGE CHACHKIN: And I would suggest to you that
15 where the Commission has allowed limited partnerships and
16 corporations, two-tiered corporations, the Commission has
17 always been concerned as to whether or not the limited
18 partners or the non-voting stockholders whether they played
19 any role in the corporation, to see whether the corporation
20 was independent or not.

21 DR. CROUCH: Yes, sir.

22 JUDGE CHACHKIN: Now, if we analogize it to your
23 situation, certainly we can't say that you were -- that the
24 corporation was independent since you and Ms. Duff played
25 important roles in the corporation. Isn't that true?

1 DR. CROUCH: I don't believe that true, sir.

2 JUDGE CHACHKIN: Ms. Duff didn't play an important
3 role in this corporation --

4 DR. CROUCH: She did.

5 JUDGE CHACHKIN: -- NMTV? She didn't run the
6 corporation?

7 DR. CROUCH: She basically handled the day to day
8 operations but, again, please focus with me, sir, on the fact
9 that NMTV was separately incorporated. It had its separate
10 legal directors. I was only one-third of that Board. Those
11 other two members were in a controlled position and, in
12 essence, could have removed me and sought other means of
13 financing if they had wished to.

14 JUDGE CHACHKIN: But Ms. Duff, was she not, sir,
15 your assistant, assistant to you at the -- at TBN?

16 DR. CROUCH: She was, sir.

17 JUDGE CHACHKIN: And don't you think in that
18 position that she -- would you say -- would you call that an
19 arm's length relationship between you and Ms. Duff?

20 DR. CROUCH: In a non-profit context, sir, I believe
21 that it was perfectly possible and, indeed, did happen for us,
22 myself, Mrs. Duff, to put, if you will, our NMTV hat and act
23 as a TBN and/or an NMTV director.

24 JUDGE CHACHKIN: Let me ask you this, sir. The NMTV
25 Board, I believe, states that it's authorized to have up to

1 | ten directors.

2 | DR. CROUCH: Yes, sir.

3 | JUDGE CHACHKIN: Why was it that the, that the Board
4 | never had more than four directors at the most, but only had
5 | three directors? Was there some reason if you're interested
6 | in fulfilling the minority responsibilities that you didn't
7 | have more minority directors, why you limited to just three,
8 | Ms. Duff who was Assistant to the President and yourself and
9 | one independent director? Why didn't you do what the, what
10 | the charter says you could have done and had up to ten
11 | directors?

12 | DR. CROUCH: Well, sir, the history of NMTV isn't
13 | complete yet. We have added a fourth director and, no doubt,
14 | as time progresses the Board of Directors will, indeed,
15 | entertain such action.

16 | JUDGE CHACHKIN: But NMTV and its predecessor was
17 | established when? 1979 was it?

18 | DR. CROUCH: 1980.

19 | JUDGE CHACHKIN: 1980. And this is 1993, 13 years.

20 | DR. CROUCH: But remember --

21 | JUDGE CHACHKIN: And all those 13 years you're
22 | telling me it wasn't possible to find additional minority
23 | directors more -- over an above the two that you've had
24 | basically from Day 1?

25 | DR. CROUCH: The answer to that, sir, is that for

1 the first eight years or so NMTV was basically a shell
2 corporation that had only a few applications on file. It had
3 no day to day business operations. It was basically sitting
4 there while the freeze was on in the low power division, while
5 we waited for some action. It -- only when it got involved in
6 its first broadcast property in about 19 -- what was it -- 90
7 -- when -- and Odessa came on line.

8 JUDGE CHACHKIN: About '89 was it?

9 DR. CROUCH: In '89 or 90.

10 JUDGE CHACHKIN: So what happened to the last four
11 years? Why haven't you -- since that's, you said, is one of
12 your important goals, why haven't you increased the minority
13 ownership of NMTV since the Articles permits you to have up to
14 ten directors?

15 DR. CROUCH: I am not the only voting member of that
16 Board, sir, and you may have to ask the other members of that
17 Board.

18 JUDGE CHACHKIN: So is it your view that the reason
19 it hasn't happened is because the other Board members have
20 been opposed to it and you've supported it?

21 DR. CROUCH: No, sir. It just didn't come up, I
22 guess.

23 JUDGE CHACHKIN: And you're telling the Commission
24 that it had nothing to do with the fact that you wanted to
25 maintain --that it had nothing to do with who would be

1 controlling NMTV, the fact that it's been limited to just
2 three directors?

3 DR. CROUCH: No, sir. We envisioned a day when NMTV
4 would come of age, become self-sufficient, be able to support
5 itself with its own income. That day is virtually here now
6 and it could be emancipated and could, could completely become
7 a totally self-sustaining, self-supporting entity. At the
8 point in my own mind I envision the day when I would resign
9 off of that Board, completely cut it loose and let it fly on
10 its own, hopefully remain as a, as a affiliate of the Trinity
11 Broadcasting Network, but I would not, of course, be able to
12 demand that.

13 JUDGE CHACHKIN: Go ahead, Mr. Cohen.

14 MR. COHEN: Yes.

15 BY MR. COHEN:

16 Q Isn't it true -- getting back to Reverend Aguilar
17 and your relationship, isn't it true, and I refer you to the
18 letter from Mr. Dunne and look at the fourth paragraph, that
19 --

20 A Page 1 now?

21 Q Yes, of Mr. Dunne's letter. Isn't it true that
22 Reverend Aguilar admitted to you, you, Reverend Crouch, that
23 he signed a document to be submitted to the Commission without
24 reading it?

25 A I have no recollection that he said that to me.

1 Q Well, read what Mr. Dunne says in paragraph four of
2 his letter to you.

3 A All right.

4 Q Read this to yourself. I'm -- I have reference to
5 the last sentence of the paragraph. Tell me when you've read
6 it.

7 A Well, sir, I've read it, but I, I do not recall what
8 Mr. Dunne is, is relating here, that he admitted to me that he
9 did not even read an affidavit prior to signing. I'm sorry,
10 sir. I do not recall any such indication from Mr. Aguilar to
11 me.

12 Q So you don't, you don't recall what Mr. Dunne was
13 writing to you about there?

14 A No, sir.

15 Q And I want to point you to paragraph three of the
16 letter. Do you see where Mr. Dunne tells you that Reverend
17 Aguilar has consistently refused to talk with us on the
18 telephone?

19 A I see that.

20 Q Is that also a statement that you have no knowledge
21 of or recollection of or do you agree with that statement?

22 A Well, I have no independent knowledge of it. If Mr.
23 Dunne says that they were having that problem, I, I guess I
24 have to accept it.

25 Q And do you believe that that "consistent refusal to

1 | talk with us on the telephone" is a matter which related to
2 | Reverend Aguilar's performance as a director?

3 | A Well, the fact that he refuses to speak to counsel
4 | is, is unfortunate. It's wrong. But, again, I don't see that
5 | that has a great deal of impact upon our overall purpose of,
6 | of inviting these individuals into -- it took some training,
7 | sir. It took some help. It took some -- they didn't
8 | understand a lot of the, the nuances and what was going on and
9 | why it was important to talk. This is, in my opinion, part of
10 | Reverend Aguilar's training.

11 | Q Well, let me ask you this. I notice that none of
12 | the, of the kind of information that you're talking about now,
13 | turning -- bringing minorities on stream, none of that is
14 | contained in Section B, NMTV's Management and Method of
15 | Operation. Do you have any --

16 | A Section B is where now, sir?

17 | Q I begins on page 6 and goes through --

18 | A Page 6 of what -- oh.

19 | Q The Request for Declaratory Ruling.

20 | A All right.

21 | Q It goes through page 8.

22 | A Yes.

23 | Q I notice there is no information in there at all
24 | about the important educational role that you've described to
25 | the judge and to myself.

1 A Well, sir, I did not author this, so I'm not
2 qualified I guess to speak to that.

3 Q But you, you read the -- did you -- you recall
4 discussing the document with -- talking with Mr. Dunne about
5 the document before it was filed, didn't you?

6 A I told you that I probably received it before it was
7 filed. I have no independent recollection of focusing and
8 reading. It's a very legal document and I am not sure that I
9 focused on each and every line and each and every thought in
10 it.

11 Q But you certainly never told Mr. Dunne that it was
12 your view that the kind of information that you described to
13 the judge and me should be included in the document? Am I
14 correct?

15 A No, sir. Or to Mr. May who initially --

16 Q Or to Mr. May.

17 A -- who actually authored this, I believe.

18 Q Or to Mr. May. You never made that suggestion to
19 Mr. May?

20 A No, sir.

21 Q And you never made that suggestion after the
22 document was filed when you had a chance to review it, did
23 you?

24 A I do not believe --

25 Q You never --

1 A I do not recall that I did.

2 Q You never suggested the document be supplemented to
3 contain the information you've told the judge and me?

4 A No, sir.

5 MR. COHEN: If I could just have a minute, Your
6 Honor, I think I'm finished.

7 JUDGE CHACHKIN: You're finished?

8 MR. COHEN: Could I just have a --

9 JUDGE CHACHKIN: We'll go off the record.

10 MR. COHEN: Thank you. I want to review my notes.
11 (Off the record.)

12 JUDGE CHACHKIN: He has completed his cross-
13 examination. Well, it's 4:00 so we -- we'll start tomorrow
14 morning at 9:30.

15 MR. TOPEL: Your Honor, have you considered going
16 back on the 9:00 schedule?

17 JUDGE CHACHKIN: Is that any problem? Are you going
18 to be here? All right. We're going to start at 9:00
19 tomorrow. All right. Recessed until 9:00 tomorrow morning.

20 (Whereupon, the hearing was adjourned at 4:00 p.m.
21 to reconvene at 9:00 a.m. on December 15, 1993.)

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CERTIFICATE OF REPORTER, TRANSCRIBER, AND PROOFREADER

IN THE MATTER OF TRINITY BROADCASTING OF FLORIDA, INC.

Name AND GLENDALE BROADCASTING COMPANY

MM DOCKET NO 93-75

Docket No.

WASHINGTON, D.C.

Place

DECEMBER 14, 1993

Date

We, the undersigned, do hereby certify that the foregoing pages, numbers 2263 through 2422, inclusive, are the true, accurate and complete transcript prepared from the reporting by ALICE WEHNER in attendance at the above identified proceeding, in accordance with applicable provisions of the current Federal Communications Commission's professional verbatim reporting and transcription Statement of Work and have verified the accuracy of the transcript by (1) comparing the typewritten transcript against the reporting or recording accomplished at the proceeding and (2) comparing the final proofed typewritten transcript against the reporting or recording accomplished at the proceeding.

January 3, 1994

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